

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 CAPITOL MALL, ROOM 485
SACRAMENTO, CA 95814
TELEPHONE: (916) 654-6340
FAX: (916) 654-6033



William J. Pavão
Executive Director

MEMBERS:

Bill Lockyer, Chair
State Treasurer

Michael C. Genest, Director
Department of Finance

John Chiang
State Controller

DATE: February 25, 2009

TO: Low Income Housing Tax Credit Applicants

FROM: William J. Pavão, Executive Director

RE: 2009 Operating Cost Minimums

With this memo, the Tax Credit Allocation Committee (TCAC) is releasing updated Operating Cost Minimums for 2009 applicants. The figures in the attachment are based on data collected from the 2008 Annual Operating Expense Reports submitted by affordable housing developers with projects in TCAC's compliance monitoring portfolio.

Some areas showed considerable increases in operating expenses, however TCAC has capped all increases for 2009 to no more than 5% (rounded to the nearest \$100). Where the data showed insignificant changes, those figures have remained the same as the 2008 minimums.

TCAC staff used a five-year period of historical operating cost data for all housing types and regions. TCAC added newly placed-in-service projects to the data set, and deleted the oldest year of project data. The current dataset consists of a five-year period from 2003-2007. The dataset was reduced to 95% by removing outliers at the high and low ends. In developing the final operating cost numbers for 2009, staff used regional averages for all types of projects within a region.

TCAC will be gathering 2008 Operating Expense data in the spring of 2009 and will incorporate that dataset when updating the Operating Cost Minimums for 2010.

Please direct any questions you may have to your regional analyst as identified at <http://www.treasurer.ca.gov/ctcac/assignments>.

Sincerely,

William J. Pavão, Executive Director

attachment

2009 Operating Costs Summary Minimums

Region	Project Type	At Risk and Non Targeted ^(a)			Single Room and Special Needs
		Targeted	Large Family	Senior	
All Other	Elevator	\$3,800	\$3,800	\$3,000	\$3,700
	Non-Elevator	\$3,600	\$3,600	\$2,800	\$3,500
Capital and Northern Area	Elevator	\$3,700	\$3,700	\$2,900	\$3,900
	Non-Elevator	\$3,500	\$3,500	\$2,700	\$3,700
Central	Elevator	\$3,400	\$3,400	\$2,600	\$3,500
	Non-Elevator	\$3,200	\$3,200	\$2,400	\$3,300
Coastal	Elevator	\$3,900	\$3,900	\$3,100	\$4,000
	Non-Elevator	\$3,700	\$3,700	\$2,900	\$3,800
East Bay	Elevator	\$4,600	\$4,600	\$3,600	\$4,700
	Non-Elevator	\$4,400	\$4,400	\$3,400	\$4,500
Inland Empire	Elevator	\$3,600	\$3,600	\$2,800	\$3,700
	Non-Elevator	\$3,400	\$3,400	\$2,600	\$3,500
Los Angeles	Elevator	\$4,100	\$4,000	\$3,200	\$4,200
	Non-Elevator	\$3,900	\$3,800	\$3,000	\$4,000
Orange	Elevator	\$3,800	\$3,800	\$2,900	\$3,900
	Non-Elevator	\$3,600	\$3,600	\$2,700	\$3,700
San Diego	Elevator	\$4,100	\$4,100	\$3,300	\$4,200
	Non-Elevator	\$3,900	\$3,900	\$3,100	\$4,000
San Francisco	Elevator	\$6,600	\$6,600	\$5,300	\$6,800
	Non-Elevator	\$6,400	\$6,400	\$5,100	\$6,600
San Mateo and Santa Clara	Elevator	\$4,600	\$4,600	\$3,600	\$4,700
	Non-Elevator	\$4,400	\$4,400	\$3,400	\$4,500

(a) Tax-Exempt Bond Projects with 30% or more of their units three-bedroom or larger use Large Family column. Tax-Exempt Bond Projects designed primarily to serve Seniors use the Senior column. Tax-Exempt Bond Projects primarily serving special needs populations or serving as an SRO use the Single Room and Special Needs column.